



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

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LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

June 10, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: AMENDMENT NO. 8 TO COUNTY
AGREEMENT NO. H-204378 WITH MCKESSON INFORMATION SOLUTIONS LLC FOR
FISCAL MANAGEMENT SYSTEM SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

CIO RECOMMENDATION: APPROVE [X]

SUBJECT

Request approval to amend Agreement with McKesson Information Solutions, LLC, for continuous use of their Fiscal Management System services to close out Fiscal Year 2007-08 Accounts Receivable data, and allow additional time to complete migration to the Affinity Patient Accounting module provided by Quadramed Corporation.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Interim Director of Health Services, or his designee, to sign Amendment No. 8, with McKesson Information Solutions, LLC (McKesson), County Agreement No. H-204378 to extend the term from July 1, 2008 through September 30, 2008, and increase the contract sum from \$45,183,967 to \$45,885,967, an increase of \$702,000, to continue the Fiscal Management System (FMS) services operations at Harbor/UCLA Medical Center (H/UCLA), High Desert

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Health System (HDHS), LAC+USC Medical Center (LAC+USC), Martin Luther King, Jr. Multi-Service Ambulatory Care Center (MLK-MACC), including Augustus F. Hawkins Mental Health Center (AFH), Olive View/UCLA Medical Center (OV/UCLA), Rancho Los Amigos National Rehabilitation Center (RLANRC), Consolidated Business Office (CBO), and Health Services Administration (HSA).

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the attached Amendment (Exhibit I), will allow completion of normal year-end closing procedures which will provide the full Fiscal Year (FY) 2007-08 Accounts Receivable data to be collected. Year-end closing is processed three months after the end of the FY. This additional time will allow McKesson to update patient financial records thereby providing the correct financial status of the patient accounts. This will also allow archiving of the full FY 2007-08 Accounts Receivable data for future audits and reimbursement reviews.

Additionally, this Amendment will allow for continued use of the McKesson system should unforeseen circumstances delay complete migration of the McKesson Express Accounts Receivable (Express V) module to the Affinity Patient Accounting module provided by QuadraMed Corporation under Agreement Nos. 56649 and 72190 by June 30, 2008, which will be used for Fiscal Management System services in the future.

Implementation of Strategic Plan Goals

This action supports Goal 4, Fiscal Responsibility of the County Strategic Plan to strengthen the County's fiscal capacity by ensuring the continuation of billing and collecting activities.

FISCAL IMPACT/FINANCING

Amendment No. 8 increases the County's maximum obligation under the Agreement by \$702,000, from \$45,183,967 to \$45,885,967, for the period July 1, 2008 through September 30, 2008. This increase includes the following: 1) ongoing processing services monthly fixed fee in the amount of \$184,495, and 2) other costs (e.g., forms, postage, hardware maintenance, site communication support, and other services) in the monthly amount of \$49,505. Funding is included in HSA's FY 2008-09 Proposed Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The County and Contractor desire to amend the Agreement to: extend the term of the Agreement; increase the contract sum; continue the processing services, programming and professional services, and other services, effective July 1, 2008 through September 30, 2008; and allow archiving of the full FY 2007-08 Accounts Receivable data for future audits and reimbursement reviews and complete migration of the Express V module to the Affinity Patient Accounting module provided by QuadraMed Corporation.

In addition, County Counsel's approval will be obtained prior to executing the recommended amendment. The CIO Analysis (Exhibit II), has been completed and the CIO concurs with DHS' recommendation.

CONTRACTING PROCESS

The Express V module has been used by DHS for the last 33 years. This is a short term, three-month, Amendment to complete FY 2007-08 services, which the current contractor is uniquely qualified to perform.

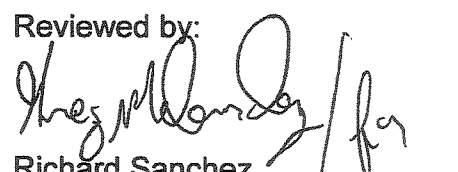
IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommended amendment will allow for the uninterrupted provision of FMS services at H/UCLA, HDHS, LAC+USC, MLK-MACC, including AFH, OV/UCLA, RLANRC, CBO, and HSA.

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

Reviewed by:

Richard Sanchez
Interim Chief Information Officer

WTF:SRH:SAS
MLM:DH:yb

Attachments (2)

c: County Counsel
Interim Director, Department of Health Services
Chief Information Officer
Director, Internal Services Department

**AMENDMENT NUMBER EIGHT TO
LOS ANGELES COUNTY
AGREEMENT NUMBER H204378**

This Amendment Number Eight to that certain COUNTY Agreement Number H204378, entitled "Agreement By and Between County of Los Angeles and First Data Health Systems Corporation for Fiscal Management System Services", including Amendment Number One, dated March 4, 1997, Amendment Number Two, dated March 28, 2000, Amendment Number Three, dated June 20, 2000, Amendment Number Four, dated January 15, 2002, Amendment Number Five, dated April 21, 2004, Amendment Number Six, dated September 21, 2004, and Amendment Number Seven, dated April 20, 2005 (hereafter collectively "Agreement"), is entered into this _____ day of _____, 2008, by and between the County of Los Angeles (hereafter "COUNTY"), and McKesson Information Solutions LLC (formerly known as McKesson Information Solutions Inc.), a Delaware Limited Liability Company (hereafter "CONTRACTOR").

WHEREAS, COUNTY and CONTRACTOR desire to amend the Agreement to extend the term of the Agreement; to increase the Contract Sum; and to add certain other provisions to the Agreement.

NOW, THEREFORE, pursuant to Paragraph 7 (Change Notices and Amendments) of the Agreement, COUNTY and CONTRACTOR hereby agree as follows:

1. Subparagraph 8.1 (Term) of the body of the Agreement is amended to read:

"8.1 Term:

The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect through September 30, 2008, unless sooner terminated, in whole or in part, as provided in this Agreement."

2. Subparagraph 10.1 (Contract Sum) of the body of the Agreement is amended to read:

"10.1 The Contract Sum under this Agreement shall be the maximum monetary amount payable by COUNTY to CONTRACTOR for supplying all the tasks, deliverables, goods, services, and other work specified under this Agreement. The Contract Sum for the term of this Agreement, including all applicable taxes, authorized by COUNTY hereunder shall not exceed Forty-Five Million Eight Hundred Eighty-Five Thousand Nine Hundred and Sixty-Seven Dollars (\$45,885,967)."

3. Paragraph 44 (Notices) of the body of the Agreement is amended to read:

"44. NOTICES:

All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing and shall be addressed to the parties at the following addresses and delivered: (1) by hand with signed receipt, (2) by first-class registered or certified mail, postage prepaid, or (3) by national overnight courier service

(e.g., FedEx or DHL). Notices shall be deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, or two (2) business days after deposit with the national overnight courier service. Addresses may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

The Director shall have the authority to issue all notices or demands which are required or permitted by COUNTY under this Agreement.

If to COUNTY:

- (1) Department of Health Services
313 North Figueroa Street, Room 903
Los Angeles, California 90012-2602
Attn: John F. Schunhoff, Ph.D
Chief Deputy Director
Fax: (213) 250-4013
E-mail: jschunhoff@ladhs.org
- (2) Department of Health Services
Revenue Services
313 North Figueroa Street, Room 527
Los Angeles, California 90012-2602
Attn: Lawrence Gatton,
Chief, Revenue Services
Fax: (213) 482-9179
E-mail: lgatton@ladhs.org
- (3) Department of Health Services
Contracts and Grants Division
313 North Figueroa Street, 6th Floor-East
Los Angeles, California 90012-2602
Attn: Kathy Hanks
Director, Contracts Administration
Fax: (213) 250-2958
E-mail: khanks@ladhs.org
- (4) Department of Health Services
Information Systems Branch
313 North Figueroa Street, Room 317
Los Angeles, California 90012-2602
Attn: Patrick Anderson
Chief Information Officer
Fax: (213) 202-5991
E-mail: panderson@ladhs.org

If to CONTRACTOR:

- (1) McKesson Information Solutions LLC
5995 Windward Parkway

Attn: General Counsel

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**AMENDMENT NUMBER EIGHT TO
LOS ANGELES COUNTY
AGREEMENT NUMBER H204378**

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by COUNTY's Director of Health Services, and McKesson Information Solutions LLC has caused this Amendment to be subscribed on its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY

CONTRACTOR

COUNTY OF LOS ANGELES

MCKESSON INFORMATION SOLUTIONS LLC

By _____
John F. Schunhoff, Ph.D.
Interim Director

By _____

Name _____

Title _____
(AFFIX CORPORATE SEAL HERE)

APPROVED AS TO FORM:
Raymond G. Fortner, Chief Deputy
County Counsel

By _____
James Kashian
Principal Deputy County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION
Department of Health Services

By _____
Cara O'Neil, Chief
Contracts and Grants Division

AMENDMENT NUMBER EIGHT TO
COUNTY AGREEMENT NUMBER H204378

ATTACHMENT 1

Exhibit A (Statement of Work) .
(Replacement Pages A-13, A-14, A-44 and A-45
under Amendment Number Eight of Agreement)

The report will include, at a minimum, summary reports in a format mutually agreed upon by the parties with detailed information pertaining to the following areas: system availability, transaction performance, problem management, and scheduled system changes.

A brief description of the key reports which comprise the monthly performance report are presented below.

3.1.3.1 System Availability Report:

The System Availability Report summarizes Actual System Availability on a monthly basis. Information on software, hardware and network problems that have had an impact on the Actual System Availability are determined from the system logs and System Monitoring Facility records.

Planned changes and their associated outages are also noted.

3.2 Client Service Representatives:

Included in the Processing Services Monthly Fixed Fee, for the first (1st) month through sixtieth (60th) month after the effective date of Amendment Number Three, CONTRACTOR will provide three (3) dedicated on-site full-time Client Service Representatives (“CSRs”) to provide support and maintenance service as described below and, as needed, to coordinate support services provided by other CONTRACTOR resources. One of the three (3) CSRs will be a dedicated communications/network specialist familiar with COUNTY’s network architecture.

Included in Processing Services Monthly Fixed Fee, for the sixty-first (61st) month through ninety-sixth (96th) month after the effective date of Amendment Number Three, CONTRACTOR will provide the equivalent of three (3) Full Time Equivalent (FTE) CSRs to provide support and maintenance service as described below and, as needed, to coordinate support services provided by other CONTRACTOR resources. These CSRs will include two (2) dedicated on-site (full-time) support persons to provide support and maintenance service as needed. One of such two (2) full-time support persons will be responsible for support of the System Software and the other will be a dedicated communications/network specialist familiar with COUNTY’s network architecture. Finally, one (1) dedicated (half-time) support person and one (1) dedicated (half-time) analyst/programmer person, both based in CONTRACTOR’s Charlotte Product Group, will be provided by CONTRACTOR as part of these three (3) FTE CSRs.

Included in Processing Services Monthly Fixed Fee, for the ninety-seventh (97th) month through ninety-ninth (99th) month after the effective date of Amendment Number Three, CONTRACTOR will provide the equivalent of one (1) FTE CSR for the Help Desk.

3.3 End User Support:

CONTRACTOR will provide technical support for COUNTY personnel using the System, which support will include: (i) advising users in the proper use of the System; (ii) answering any questions which arise in the course of operation of the System; (iii) diagnosing and resolving problems encountered during the use of the System; (iv) advising users of any changes or upgrades to the System functionality; and (v) recording and tracking recurring problems (including, but not limited to, operator errors) and notifying users so that users may avoid these problems.

CONTRACTOR will provide these services chiefly through resources available at the Help Desk. The primary responsibility of the Help Desk will be to receive calls from users regarding hardware, communication software, and apparent malfunctions or failures of hardware or software.

(Revised Under Amendment Number Eight of the Agreement)

PART IV

OPTION TO PURCHASE AND INSTALL ADDITIONAL OPTIONAL SITE HARDWARE AND
ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE

NOTE: All capitalized terms used herein have the meanings set forth in the Agreement, unless they are specifically defined in this SOW.

1. OBJECTIVE:

The objective of the activities and deliveries set forth in this Part IV of the SOW is to enable COUNTY to add certain hardware to be used on the System at certain Sites, if COUNTY chooses to do so, by: detailing the computer hardware, Site Operating System Software and third party software, required for such addition; permitting, but not requiring, COUNTY to obtain such computer hardware and/or third party software from CONTRACTOR; providing for the installation of such hardware; permitting, but not requiring, COUNTY to obtain the necessary Site Operating System Software from CONTRACTOR in the event of such addition and providing for the installation thereof; assuring that such addition is properly connected to the System; and identifying the tasks of COUNTY and CONTRACTOR required to accomplish the foregoing.

2. ADDITIONAL OPTIONAL SITE HARDWARE:

- 2.1 COUNTY, at its option, may add additional Optional Site Hardware at certain Sites for a computer network communications server microcomputer in a configuration that meets CONTRACTOR's specifications ("Commserver"), which is CONTRACTOR's recommended PC-based hardware platform. Following is a minimum configuration of such Commserver:

Commserver (07/01/2000 through 03/19/2002):

486 DX 33, 4 MG, 245 HD, 1 VRAM, 14" SVGA
SDLC Adapter Board
Cable - SDLC to Modem
10 Base T Ethernet Card

Commserver (03/20/2002 through 09/30/2008):

There is no minimum configuration of Commserver.

(Revised Under Amendment Number Eight of the Agreement)

Workstation (07/01/2000 through 09/30/2008):

Any PC that is 386 compatible or greater
10 Base T Ethernet Card for each PC Workstation

For each Site, COUNTY will have the option to purchase the Commserver and associated equipment from CONTRACTOR at or below the prices set forth in Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of Exhibit B (Schedule of Payments), and under the terms and conditions therein, or to purchase the necessary Commserver components from another vendor. If COUNTY chooses to purchase the Commserver from another vendor, the Commserver will meet, at a minimum, the above specification.

- 2.2 COUNTY, at its option, may add additional Optional Site Hardware at certain Sites for a Transmission Control Protocol/Internet Protocol (TCP/IP) network communications that meets CONTRACTOR's specification ("TCP/IP Network"), which is CONTRACTOR's recommended TCP/IP network hardware. Following is a minimum configuration of such TCP/IP Network:

TCP/IP Network:

Baystack Router

ARN Ethernet Base Unit (32M DRAM)
ARN Tri Serial Expansion Module
ARN V.34 Modem Console Module
Remote Office Suite
15 Foot 44-pin to Male V.35

Channel Service Unit (CSU)

ADTRAN TSU IQ (Frame Relay Aware)
ISDN DBU card - BRI
Ethernet Card

For each Site, COUNTY will have the option to purchase the TCP/IP Network hardware.

AMENDMENT NUMBER EIGHT TO
COUNTY AGREEMENT NUMBER H204378
ATTACHMENT 2

Schedule 4 (Site Hardware) of
Exhibit A (Statement of Work)
(Replaced by revised Schedule 4 (Site Hardware)
of Exhibit A (Statement of Work)
under Amendment Number Eight of Agreement)

EXHIBIT A

**SCHEDULE 4
SITE HARDWARE**

<u>Item No.</u>	<u>Equipment</u>	<u>Quantity (07/01/00 through 03/19/02)</u>	<u>Quantity (03/20/02 through 09/30/08)</u>
HARBOR/UCLA MEDICAL CENTER:			
1.	PC Commserver	1	n/a
2.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
3.	PC Connects	40	40
4.	Fujitsu 600 LPM Printer	1	1
5.	Digital Line 56KB	(dedicated)	n/a
6.	Overland Tape Driver	1	n/a
7.	3270 Express Gateway	1	n/a
OLIVE VIEW/UCLA MEDICAL CENTER:			
8.	PC Commserver	1	n/a
9.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
10.	PC Connects	19	19
11.	Fujitsu 600 LPM Printer	1	1
12.	Digital Line 56KB	(dedicated)	n/a
13.	Overland Tape Driver	1	n/a
14.	3270 Express Gateway	1	n/a
LAC+USC MEDICAL CENTER:			
15.	PC Commserver	2	n/a
16.	3610 Paradyne Data Sharing Unit (DSU)	2	n/a
17.	Fujitsu 600 LPM Printer	1	1
18.	Fujitsu 1200 LPM	1	1
19.	Digital Line 56KB	(dedicated)	n/a
20.	3270 Express Gateway	1	n/a
MARTIN LUTHER KING JR./DREW MEDICAL CENTER:			
21.	PC Commserver	2	n/a
22.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
23.	Fujitsu Band Printer	1	n/a
24.	Digital Line 56KB (shared)	(dedicate)	n/a
25.	3270 Express Gateway	1	n/a
26.	Fujitsu 600 LPM Printer	n/a	1
RANCHO LOS AMIGOS NATIONAL REHABILITATION CENTER (RANCHO LOS AMIGOS MEDICAL CENTER):			
27.	PC Commserver	1	n/a
28.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
29.	PC Connects	3	3
30.	Fujitsu 600 LPM Printer	1	1
31.	Digital Line 56KB	(shared)	n/a
32.	3270 Express Gateway	1	n/a

(Revised Under Amendment Number Eight of Agreement)

<u>Item No.</u>	<u>Equipment</u>	<u>Quantity (07/01/00 through 03/19/02)</u>	<u>Quantity (03/20/02 through 09/30/08)</u>
HIGH DESERT HOSPITAL:			
33.	PC Commserver	1	n/a
34.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
35.	PC Connects	20	20
36.	Fujitsu 600 LPM Printer	1	1
37.	Digital Line 56KB	(shared)	n/a
38.	3270 Express Gateway	1	n/a
DHS CONSOLIDATED BUSINESS OFFICE:			
39.	PC Commserver	1	n/a
40.	3610 Paradyne Data Sharing Unit (DSU)	2	n/a
41.	PC Connects	60	60
42.	Fujitsu 600 LPM Printer	1	1
43.	Digital Line 56KB	(shared)	n/a
DHS HEALTH SERVICES ADMINISTRATION:			
44.	PC Commserver	1	n/a
45.	3610 Paradyne Data Sharing Unit (DSU)	1	n/a
46.	Digital Line 56KB	(shared)	n/a
47.	PC Connects	1	1
48.	768k/128k Circuit	n/a	1
49.	TI DSU (TSU)	n/a	1
50.	Nortel ARN Router	n/a	1
TREASURER TAX COLLECTOR:			
51.	Personal Computer	1	n/a
52.	4800 Analog Circuit	1	n/a
53.	4800 Analog Modem	1	n/a

(Revised Under Amendment Number Eight of Agreement)

AMENDMENT NUMBER EIGHT TO
COUNTY AGREEMENT NUMBER H204378

ATTACHMENT 3

Exhibit B (Schedule of Payments)
(Replaced by revised Exhibit B (Schedule of Payments)
under Amendment Number Eight of Agreement)

EXHIBIT B
SCHEDULE OF PAYMENTS
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(Revised Under Amendment Number Eight of Agreement)

EXHIBIT B

SCHEDULE OF PAYMENTS

INTRODUCTION:

This revised Exhibit B sets forth the amounts to be invoiced by, and paid to, CONTRACTOR on a monthly basis (unless otherwise indicated) for CONTRACTOR's performance under this Agreement during the extension of the Agreement term under Amendment Number Three and this Amendment Number Six. This Exhibit B includes: (1) a Processing Center Application Software (a/k/a Host 2000) One-Time Fee as set forth in Schedule 1 (System Software Modules), Section 2 (Processing Center Application Software) of Exhibit A (Statement of Work) for all Sites, (2) a Processing Services Monthly Fixed Fee for the System processing services set forth in Section 2 (Processing Fees) of this Exhibit B for all Sites, and (3) fees, based on the rates by units of service, for other services provided under this Agreement. CONTRACTOR's invoices shall be payable by COUNTY within thirty (30) days from COUNTY's receipt of a correct invoice.

Processing Center Application Software (a/k/a Host 2000) One-Time Fee:

The Processing Center Application Software (a/k/a Host 2000) One-Time Fee over the five (5) year extension of the Agreement term under Amendment Number Three is Three Million Five Hundred Thousand Dollars (\$3,500,000.00). The Processing Center Application Software (a/k/a Host 2000) One-Time Fee over the three (3) year extension of the Agreement term under this Amendment Number Six is Zero Dollars (\$0.00). This amount will be due and payable commencing upon the effective date of Amendment Number Three as follows: (i) one (1) payment due and payable upon the effective date of Amendment Number Three in the amount of Eight Hundred Seventy-Five Thousand Dollars and Zero Cents (\$875,000.00), (ii) one (1) payment due and payable six (6) months after the effective date of Amendment Number Three in the amount of Two Million One Hundred Twenty-Five Thousand Dollars and Zero Cents (\$2,125,000), and (iii) one (1) payment due and payable on the thirteenth (13th) month after the effective date of Amendment Number Three in the amount of Five Hundred Thousand Dollars and Zero Cents (\$500,000.00). In addition, CONTRACTOR and COUNTY understand and agree that the Processing Center Application Software (a/k/a Host 2000) One-Time Fee is for the perpetual use by or for COUNTY of all Processing Center Application Software (a/k/a Host 2000), and accordingly, COUNTY will not have to pay any further amount for such use, under this Agreement, any extension of the term of this Agreement (including, without limitation, the extension of the term of this Agreement under this Amendment Number Six), or any replacement agreement for this Agreement.

Processing Services Monthly Fixed Fee:

The Processing Services Monthly Fixed Fee is for COUNTY's utilization of all Processing Center Application Software (a/k/a Host 2000) set forth in Section II (Processing Center Application Software) of Schedule I (System Software Modules) of Exhibit A (Statement of Work).

This Exhibit B changes the processing fees from a transaction volume fee basis to a monthly fee (Processing Services Monthly Fixed Fee) basis. This Processing Services Monthly Fixed Fee covers an aggregate maximum of 650 devices (i.e., printers and personal computers) attached to the System at all Sites. For the Processing Services Monthly Fixed Fee, CONTRACTOR's related invoices (1) shall be due on the first of each month after the effective date of Amendment Number Three, and (2) shall be payable by COUNTY within thirty (30) days from COUNTY's receipt of a correct invoice. The maximum number of monthly invoices for the Processing Services Monthly Fixed Fee over the extended term of this Agreement under Amendment Number Three, Amendment Number Six, and Amendment Number Eight shall not exceed ninety-nine (99) monthly invoices. The Processing Services Monthly Fixed Fee shall be as follows:

- (1) For the first (1st) month through forty-eighth (48th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Thirty-One Thousand Seven Hundred Fifty Dollars (\$131,750), unless reduced under subparagraph (5) following.

(Revised Under Amendment Number Eight of Agreement)

- (2) For the forty-ninth (49th) month through sixtieth (60th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Eighteen Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents (\$118,333.33), unless reduced under subparagraph (5) following.
- (3) For the sixty-first (61st) month through ninety-sixth (96th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Fifty-Four Thousand Four Hundred Twelve Dollars (\$154,412), unless reduced under subparagraph (5) following.
- (4) For the ninety-seventh (97th) month through ninety-ninth (99th) month after the effective date of Amendment Number Three, the Processing Services Monthly Fixed Fee shall be One Hundred Eighty-Four Thousand Four Hundred Ninety-Five Dollars (\$184,495).
- (5) Should COUNTY terminate the production use of certain Processing Center Application Software modules pursuant to Paragraph 49.1 (Termination of E/GL/E/AP), the Processing Services Monthly Fixed Fee set forth in this Exhibit B shall be reduced by the amount of Five Thousand Nine Hundred Sixteen Dollars and Sixty-Seven Cents (\$5,916.67). Such reduction shall become effective on the later of: (i) the start of the twenty-fifth (25th) month after the effective date of Amendment Number Three; or (ii) three (3) months after COUNTY gives CONTRACTOR written notice of such termination. Such reduction shall not be retroactive to any month before the month in which the reduction becomes effective.

Other Services Fees

The rates for other services, utilized by COUNTY, shall be invoiced monthly by CONTRACTOR, based on the rates by units of service, as established in Paragraphs 3 (Site Operating System Software) through 15 (CD ROM) of this Exhibit B.

Cost increases for Site Hardware Maintenance (Section 5) and Forms (Section 8) shall be allowed only based on pass-through cost increases.

FISCAL MANAGEMENT SYSTEM CHARGES:

1.1 MAINFRAME OPERATING SYSTEM (OS) SOFTWARE (07/01/00 through 03/19/02):

CONTRACTOR's mainframe OS manages the basic operations of the HFC/FMS system and includes the following software:

OS/390 V2R6

Operating System: allows for access to and addressing of stored data.

RACF

Resource Access Control Facility: provides mainframe access security.

NCP

Network Control Program: controls operations of the communication controllers in the network.

VTAM

Virtual Telecommunication Access Method: handles some of the communications processing tasks for an application program.

	<u>Unit Description</u>	<u>Rate</u>
Mainframe OS software is provided by CONTRACTOR	N/A	\$.000

1.2 MAINFRAME OPERATING SYSTEM (OS) SOFTWARE (03/20/02 through 09/30/08):

CONTRACTOR's mainframe OS manages the basic operations of the Host 2000 and will include the following software:

OS/390 V2R6

Operating System: allows for access to and addressing of stored data.

RACF

Resource Access Control Facility: provides mainframe access security.

NCP

Network Control Program: controls operations of the communication controllers in the network.

VTAM

Virtual Telecommunication Access Method: handles some of the communications processing tasks for an application program.

	<u>Unit Description</u>	<u>Rate</u>
Mainframe OS software is provided by CONTRACTOR	N/A	\$.000

2. PROCESSING FEES:

For the Processing Services Monthly Fixed Fee, COUNTY shall be entitled to utilize all Processing Center Application Software as listed in Section II (Processing Center Application Software) of Schedule I (System Software Modules) of Exhibit A (Statement of Work) at all Sites.

3. SITE OPERATING SYSTEM SOFTWARE:

3.1 Administrator Software:

	<u>Unit Description</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>03/19/02)</u>	<u>Rate</u> <u>(03/20/02</u> <u>through</u> <u>09/30/08)</u>
<u>Administrator III:</u> Allows Site to key batch data in preparation for transmission	Site/Month	\$.000	\$.000

3.2 [INTENTIONALLY DELETED]

(Revised Under Amendment Number Eight of Agreement)

4. SITE COMMUNICATION SUPPORT:

Charges applied on a monthly basis for support of the communications configuration at each Site

4.1 Commserver Configuration Communication Installation and Support Fees:

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>03/19/02)</u>	<u>Rate</u> <u>(03/20/02</u> <u>through</u> <u>09/30/08)</u>
<u>Line Charge:</u>			
56 kb line installation	Per Install	\$1,500.00	N/A
56 kb line link to host	Line/Month	\$825.00	N/A
<u>Data Sharing Unit (DSU) Installation and Support:</u>			
<u>DSU Charge:</u>			
DSU installation	Per Install	\$600.00	N/A
DSU link for each Site circuit	DSU/Month	\$290.00	N/A
<u>Support Fee:</u>			
Host 2000 Communication Support	Site/Month Excluding HSA	N/A	\$1,050.00

4.2 [INTENTIONALLY DELETED]

5. SITE HARDWARE MAINTENANCE:

5.1 Commserver Maintenance – Scheduled Maintenance Service Charge:
See Schedule 1 (Site Hardware Scheduled Maintenance) of this Exhibit B

5.2 [INTENTIONALLY DELETED]

5.3 Hardware Maintenance - Non-Scheduled Maintenance Service Charge:

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>09/30/08)</u>
ADTRAN, Inc. (minimum four-hour charge) plus travel cost	Hourly	\$250.00	\$250.00
AT&T Corporation (minimum two-hour charge) plus travel cost	Hourly	\$260.00	\$260.00
Genicom Networks Inc. (minimum two-hour charge) plus travel cost	Hourly	\$175.00	\$175.00
Lucent Technologies Inc. (minimum two-hour charge) plus travel cost	Hourly	\$260.00	\$260.00
Nortel Networks Corporation (minimum four-hour charge) plus travel cost	Hourly	\$200.00	\$200.00
Paradyne Corporation (minimum two-hour charge) plus travel cost.	Hourly	\$260.00	\$260.00

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6. [INTENTIONALLY DELETED]

7. ADDITIONAL OPTIONAL SITE HARDWARE AND ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE:

See Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of this Exhibit B. This section shall apply only to items procured pursuant to Paragraph 7 (Change Notices and Amendments) of the body of this Agreement and Part IV (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of Exhibit A (Statement of Work).

8. FORMS:

- 8.1 The cost of the following printed forms are not included in the processing charges. Sites will be charged for those forms based upon: (a) the quantity used for printing output either at the Processing Center or at CONTRACTOR's local distribution center, or (b) the quantity of forms shipped to the Sites or in-facility printing output.

	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>09/30/08)</u>
<u>Description</u>			
Four-part patient detail ledger form (AR10 statement)	Form	\$0.102	\$0.0497
Three-part patient detail ledger form (AR10 statement)	Form	\$0.079	\$0.079
Two-part patient detail ledger form (AR10 statement)	Form	\$0.052	\$0.056
One-part patient detail ledger form (custom designed within parameters of CONTRACTOR's specifications)	Form	\$0.035	\$0.046
Discharged Accounts Receivable data mailer	Form	\$0.141	\$0.129

Charges for all of the above forms are based upon actual quantities of forms used by COUNTY.

CONTRACTOR reserves the right to increase the cost of forms to reflect price changes imposed by its form suppliers for feature changes and/or general price increases, provided that such increase shall have no effect whatsoever on the Contract Sum.

COUNTY will reimburse CONTRACTOR for actual postage charges for mailing data mailers directly to account guarantors from the Processing Center.

- 8.2. The acquisition of and payment for all input preparation forms and other terminal forms and supplies are the responsibility of COUNTY. Stock input preparation and stock terminal forms can be acquired through CONTRACTOR if COUNTY elects to benefit from volume purchase prices.

9. ADDITIONAL FILES:

Upon request by COUNTY, CONTRACTOR will execute extracts of data for COUNTY in a flat file ASCII format. Tape/cartridge extracts can be sent weekly, monthly or on demand. COUNTY will pay all associated shipping charges. Tape/cartridge data extracts available to COUNTY are as follows:

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	<u>Unit</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>09/30/08)</u>
Express Accounts Receivable (EA/R) and Accounts Receivable (A/R)	N/A	\$0.00	\$0.00
•AR Master			
•Activity Index			
•Pricing Index			
Express General Ledger	N/A	\$0.00	\$0.00
Express Accounts Payable	N/A	\$0.00	\$0.00
Statistical Data Base	N/A	\$0.00	\$0.00
Dataset Request	Run/Site	\$121.00	\$139.74

10. [INTENTIONALLY DELETED]

11. PROGRAMMING AND PROFESSIONAL SERVICES:

For all programming and professional services in excess of programming and professional services to be provided to COUNTY at no cost pursuant to Section 3.6 (Programming and Professional Services) of Part I (Ongoing Fiscal Management System Services) of Exhibit A (Statement of Work), CONTRACTOR will provide such excess programming and professional services at the following applicable rate:

<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 09/30/08)</u>
One Hundred Twenty Five Dollars (\$125.00) per programming and professional services hour	One Hundred Thirty Five Dollars (\$135.00) per programming and professional services hour

Out-of-pocket expenses incurred in connection with such services will be reimbursed by COUNTY in accordance with Section 12 (Out-of-Pocket Expenses) below.

12. OUT-OF-POCKET EXPENSES:

COUNTY shall reimburse CONTRACTOR for its actual out-of-pocket expenses which shall mean CONTRACTOR's reasonable and necessary expenditures for CONTRACTOR's staff transportation, meals, and lodging, but not to exceed the limits set forth in the then current Chapter 5.40 (Travel and Other Expenses) of the Los Angeles County Code. All out-of-pocket expenses shall be approved in advance, in writing, by COUNTY's Project Director.

12.1 Reimbursable expenses shall include only travel expenses for CONTRACTOR personnel stationed outside the counties of Los Angeles, San Bernardino, Orange, Riverside, Imperial, Kern, Ventura, and Santa Barbara, and will be reimbursed based on the following schedules:

- (1) Transportation -Transportation costs will be reimbursed based on submitted receipts.
- (2) Lodging -If a receipt is submitted, a single occupancy hotel accommodation will be reimbursed up to a maximum as follows:

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<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 06/30/08)</u>	<u>Rate</u> <u>(07/01/08 through 09/30/08)</u>
\$150.00 plus all taxes. If no receipt is submitted, reimbursement is limited to \$20.00	\$165.50 plus all taxes. If no receipt is submitted, reimbursement is limited to \$20.00	\$180.00 plus all taxes. If no receipt is submitted, reimbursement is limited to \$20.00

- (3) Meals -No receipts needed. Meals will be reimbursed as follows:

<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 06/30/08)</u>	<u>Rate</u> <u>(07/01/08 through 09/30/08)</u>
Breakfast - \$9.00	Breakfast - \$10.00	Breakfast - \$10.75
Lunch - \$11.50	Lunch - \$12.75	Lunch - \$14.00
Dinner - \$29.25	Dinner - \$32.25	Dinner - \$35.25
or not to exceed \$49.75 per day when three meals are purchased on any one day.	or not to exceed \$55.00 per day when three meals are purchased on any one day.	or not to exceed \$60.00 per day when three meals are purchased on any one day.

- (4) Porterage -\$1.00 per day.

- (5) Parking -Maximum daily amount allowed for airport parking (receipt required) is as follows:

<u>Rate</u> <u>(07/01/00 through 06/30/05)</u>	<u>Rate</u> <u>(07/01/05 through 06/30/08)</u>	<u>Rate</u> <u>(07/01/08 through 09/30/08)</u>
Burbank Economy Lot - \$8.00	Burbank Lots A, B & C - \$5.00	Burbank Lots A, B & C - \$9.00
John Wayne Auxiliary Lot - \$7.00	John Wayne Main Street Parking Lot - \$12.00	John Wayne Main Street Parking Lot - \$12.00
Los Angeles LAX Lot C - \$7.00	Los Angeles Lot B - \$8.00	Los Angeles Lot B - \$8.00
Long Beach - \$12.60	Long Beach Lot D - \$6.00	Long Beach Lot D - \$6.00
Ontario - \$10.00	Ontario Lot F - \$6.00	Ontario Lot F - \$6.00

12.2 Non-reimbursable expenses shall include, but not be limited to:

- (1) Staff time or overtime for performing secretarial, clerical or word processing functions.
- (2) Charges for time spent to provide necessary information for COUNTY audits or billing inquiries.
- (3) Charges for work performed which had not been authorized by COUNTY.

12.3 CONTRACTOR shall extend its best efforts to get the most commercially reasonable fares and rates possible consistent with the need to be responsive to COUNTY's service requirements.

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12.4 Reimbursement for out-of-pocket expenses under this Section 12 will cover out-of-pocket expenses incurred by all members of CONTRACTOR's staff, including, without limitation, out-of-pocket expenses incurred in connection with COUNTY- requested on-site visits by CONTRACTOR's Project Manager.

13. [INTENTIONALLY DELETED]

14. SOFTWARE INSTALLATION COSTS:

CONTRACTOR will provide software installation services at a rate not to exceed the following:

<u>Rate</u>	<u>Rate</u>
<u>(07/01/00 through 06/30/05)</u>	<u>(07/01/05 through 09/30/08)</u>
One Hundred Twenty Five Dollars	One Hundred Thirty Five Dollars
(\$125.00) per person hour	(\$135.00) per person hour

Out-of-pocket expenses incurred in connection with such services will be reimbursed by COUNTY in accordance with Section 12 (Out-Of-Pocket Expenses) of this Exhibit B.

15. CD ROM

CONTRACTOR will provide COUNTY two (2) copies of all profiled reports on CD ROM at the price listed below. Upon COUNTY's request, CONTRACTOR will provide additional copies of the profiled reports as follows:

<u>Unit Description</u>	<u>Rate</u> <u>(07/01/00</u> <u>through</u> <u>06/30/05)</u>	<u>Rate</u> <u>(07/01/05</u> <u>through</u> <u>09/30/08)</u>
Standard output (two CD ROMs) per report, per Site	\$600.00	\$600.00
Per extra copy, per Site on CD ROM	\$ 25.00	\$ 25.00
Per extra copy, per page, per Site on paper	\$.085	\$.085

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EXHIBIT B

SCHEDULE 1

SITE EQUIPMENT SCHEDULED MAINTENANCE

LAC+USC MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Printer Maintenance	CPG Hardware Maintenance Fujitsu 1200 LPM	\$198.00	\$198.00	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu 600 LPM	\$198.00	\$198.00	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver (Connect to Host)	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

MLK/DMC & AFH	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Band Printer	\$198.00	\$198.00	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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H/UCLA MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer Main	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$1,160.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

OV/UCLA MC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer Main	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$551.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$825.00	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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RLAMC	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$87.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

HDH	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$580.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

DHS/CBO	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to Host)	\$406.00	n/a	M2
	Commserver Configuration Maintenance	CPG Hardware Maintenance Commserver Support (Connect to PCs)	\$716.00	n/a	M2
	Printer Maintenance	CPG Hardware Maintenance Fujitsu Printer	\$198.00	\$198.00	M2
	PC Configuration Maintenance	CPG Hardware Maintenance PC Connect to Commserver	\$29.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$412.50	n/a	R
	Data Sharing Unit	CPG Hardware Maintenance Paradyne Data Sharing Unit	\$290.00	n/a	R

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DHS/HSA	ITEM	INVOICE DESCRIPTION*	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	MAINT CODE
	Commserver Configuration Maintenance	CPG Hardware Maintenance	\$406.00	n/a	M2
	Digital Line (56KB)	CPG Hardware Maintenance Dedicated Digital Line	\$206.25	n/a	R
	Digital Line (768KB)	CPG Hardware Maintenance Dedicated Digital Line	n/a	\$2,042.16	9
	Digital Line (128KB)	Dial Back-up	n/a	\$75.00	9

* CPG refers to CONTRACTOR's Charlotte Product Group, an organizational unit of CONTRACTOR.

MAINTENANCE CODE INFORMATION:

M2 Maintenance: On-site 8x5 as available response
R Monthly recurring rental
9 Maintenance 7x24 starts on installation

Maintenance fees for additional Optional Site Hardware and additional Optional Site Operating System Software are listed in Schedule 2 (Additional Optional Site Hardware and Additional Optional Site Operating System Software) of this Exhibit B for all items as to which CONTRACTOR is responsible for maintenance under this SOW.

EXHIBIT B

SCHEDULE 2

ADDITIONAL OPTIONAL SITE HARDWARE AND ADDITIONAL OPTIONAL
SITE OPERATING SYSTEM SOFTWARE

ITEM NO	VENDOR	ITEM	DESCRIPTION	UNIT PRICE	MONTHLY MAINTENANCE (07/01/00 through 03/19/02)	MONTHLY MAINTENANCE (03/20/02 through 09/30/08)	INSTALL FEE	WARR/ MAINT
		ADDITIONAL OPTIONAL SITE OPERATING SYSTEM SOFTWARE						
1	HBOC	ADMIN II/III SOFTWARE**	ADMIN III SOFTWARE**	\$0.00	\$232.00	n/a	\$100.00***	R
2	HBOC	COMMSERVER PC ANALOG**	PC CONNECT TO COMMSERVER	\$0.00	\$ 29.00	n/a	\$100.00***	R
3	HBOC	NEW COMMSERVER ANALOG**	ANALOG COMMSERVER FEE	\$ 0.00	\$406.00	n/a	\$100.00***	R
4	IBM	SNA - LICENSE	SNA SITE LICENSE	\$1,451.00	\$ 0.00	n/a	\$0.00	OT
5	NOVELL	NOVELL NV-406	5 USER 3.12 NOVELL SOFTWARE	\$1,095.00	\$ 0.00	n/a	\$100.00***	1
		ADDITIONAL OPTIONAL SITE HARDWARE						
6	DEC	DEC 4000-1	486SX33 PC, 4MB, 270HD, 14" SVGA	\$1,378.00	\$ 32.00	n/a	\$206.00	2.7
7	IBM	IBM7367099	SDLC ADAPTER BOARD	\$258.00	\$2.00	n/a	\$206.00	3.8
8	PARADYNE	PARA 11EDC25/MF50	CABLE, SDLC TO MODEM 50 FT	\$65.00	\$ 0.00	n/a	\$0.00	4.0
9	3COM	SMC SMC-E16T	10 B T BIT ETHERNET BOARD	\$195.00	\$6.00	n/a	\$125.00	4.8
10	NORTEL	ROUTER	BAYSTACK ROUTER, ARN ETHERNET BASE UNIT (32M DRAM)	\$4,703.00	\$65.00	n/a	\$125.00***	4.9
11	ADTRAN	CHANNEL SERVICE UNIT (CSU)	CHANNEL SERVICE UNIT, ADTRAN TSU IQ (Frame Relay Aware)	\$2,240.00	\$46.00	n/a	\$125.00***	4.9

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NOTES

- * Fee listed is per unit charge.
- ** Item number 1 must be purchased through CONTRACTOR. All other items may be acquired by COUNTY from other sources.
- *** Fee is an hourly rate, not to be exceeded.

WARRANTY CODES:

- 1 1 year software conformance
- 2 1 year on site; 2 year return to factory
- 3 90 day return to factory
- 4 30 day DOA warranty
- 5 1 year return to factory
- 6 2 year return to factory

MAINTENANCE CODES:

- 0 No maintenance
- 7 8/5 on-site same day
- 8 Maintenance 8x5 starts after warranty
- 9 Maintenance 24x7 starts after warranty, parts only
- 10 Unit exchange starts on install
- 11 Maintenance 8x5 on-site same day until warranty terminates;
COUNTY maintains thereafter

OTHER CODES:

- R Monthly recurring rental
- OT One-time Charge

CIO ANALYSIS

DEPARTMENT OF HEALTH SERVICES (DHS) AMENDMENT NO. 8 TO AGREEMENT NO. H-204378 WITH MCKESSON INFORMATION SOLUTIONS LLC FOR FISCAL MANAGEMENT SYSTEM SERVICES

CIO RECOMMENDATION: ☒ APPROVE ☐ APPROVE WITH MODIFICATION
☐ DISAPPROVE

Contract Type:

☐ New Contract ☒ Contract Amendment ☒ Contract Extension
☐ Sole Source Contract ☐ Hardware Acquisition ☐ Other

New/Revised Contract
Term:

Base Term: 3 Months

of Option Yrs: 0

Contract Components:

☐ Software ☐ Hardware ☐ Telecommunications
☒ Professional Services

Project Executive Sponsor: Bruce A. Chernof, M.D., Director, DHS

Budget Information :

Y-T-D Contract Expenditures	\$ 45,183,967
Requested Contract Amount	\$ 702,000
Aggregate Contract Amount	\$ 45,885,967

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	This contract and/or project and its milestone deliverables must be entered into the Information Technology Tracking System (ITTS).

Project/Contract Description:

This Amendment extends the term of the current agreement between the Department of Health Services (DHS) and McKesson Information Solutions LLC (McKesson) for an additional three months, from July 1, 2008 through September 30, 2008, and increases the contract sum by an additional \$702,000, 100% of which is net County cost.

Background:

The McKesson Express Accounts Receivable (Express V) module has been used by DHS for the past 33 years. This Amendment is needed to continue the processing services, programming and professional services, and other services provided under the existing agreement; to allow archiving of the full FY 2007-08 Accounts Receivable (A/R) data for future audits and reimbursement reviews; and to complete migration of the McKesson Express Accounts Receivable (Express V) module to the Affinity Patient Accounting module provided by QuadraMed Corporation.

Project Justification/Benefits:

DHS is requesting this amendment to allow completion of normal year-end closing procedures which will provide the full Fiscal Year (FY) 2007-08 A/R data to be collected. The year-end closing is processed three months after the end of the FY. This additional time will allow McKesson to update patient financial records thereby providing the correct financial status of the patient accounts. This will also allow archiving of the full FY 2007-08 A/R data for future audits and reimbursement reviews.

This Amendment will also allow for continued use of the McKesson A/R module should unforeseen circumstances delay complete migration of the McKesson Express Accounts Receivable (Express V) module to the Affinity Patient Accounting module, which is scheduled to be completed by June 30, 2008.

Project Metrics:

Completion of the data collection, updating of patient records, archiving of A/R data and serving as a back-up in the event of a problem with the Affinity Patient Accounting module migration project will serve as the metrics to measure project success.

Impact on Service Delivery or Department Operations, if Proposal Is Not Approved:

If this Amendment is not approved, DHS will not have authority to continue receiving and paying for critical services being provided by McKesson in support of their current A/R system. These services are needed for an additional three (3) months beyond the current agreement's termination date of June 30, 2008.

Alternatives Considered:

The McKesson Express Accounts Receivable (Express V) module is proprietary to McKesson. As such, the vendor is uniquely qualified to perform the services required under this short-term amendment and, consequently, is the only option available to DHS.

Project Risks:

There do not appear to be any significant risks to DHS or the County resulting from this relatively short-term amendment.

Risk Mitigation Measures:

No risk mitigation measures are deemed necessary.

Financial Analysis:

This Amendment would increase the obligation under the current agreement by \$702,000, bringing the aggregate contract amount to \$45,885,967 over a 33-year period. Funds necessary for this expenditure have been identified in DHS's FY 2008-09 Proposed Budget.

CIO Concerns:

None.

CIO Recommendations:

Recommend Board approval of this proposed Amendment.

CIO APPROVAL

Date Received: April 10, 2008
Prepared by: Carl Brudley
Date: April 16, 2008
Approved: Greg M. Lundy
Date: 4/30/2008